

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

P.O. BOX 942732

SACRAMENTO, CA 94234-7320



To: All County Welfare Directors
All County Administrative Officers

April 10, 1990

Letter No: 90-34

SUBJECT: IMPLEMENTATION OF THE 133 PERCENT PROGRAM FOR CHILDREN UNDER AGE SIX

REFERENCE: ACWDL 89-50, 89-103

The purpose of this letter is to provide information on Section 6401 of the Omnibus Budget Reconciliation Act (OBRA) of 1989 which requires States on April 1, 1990, to provide Medi-Cal benefits at no share of cost to eligible children who have attained age one but who have not attained age six if the family income does not exceed 133 percent of the appropriate federal poverty level (FPL).

BACKGROUND

This provision of OBRA 89 which amends Section 1902 of the Social Security Act is similar to the requirements of the 185-Percent program and the 200 percent program except that the program is limited to otherwise eligible children of age one up to the age of six with a family income of 133 percent of the FPL.

PERIOD OF ELIGIBILITY

Eligibility under the 133 Percent program will begin for children who have attained age one but not age six, unless the child's eligibility continues under the 185 or 200 Percent programs because he/she was receiving inpatient services during a continuous period which began before and continues beyond the child's first birthday. Eligibility ceases at the end of the month in which the child attains age 6 unless the child is receiving inpatient services during a continuous period which began before and continues beyond the child's sixth birthday.

BENEFITS AND AID CODES

There will be two groups of children under the 133 Percent Program:

- Aid Code 72 Citizen/lawful permanent resident/PRUCOL/Conditional Status
No special message will be printed on this Medi-Cal card;
full scope benefits.
- Aid Code 74 Undocumented status/temporary visa (OBRA)
Provides for treatment of emergency medical conditions only.
This Medi-Cal card will bear the phrase: "Emergency services
only".

These aid codes were formerly used for TPN and kidney dialysis patients.
Further instructions will be provided on how to convert those individuals to
other codes.

ELIGIBILITY DETERMINATION

1. Regular Medically Indigent (MI) or Medically Needy (MN) Program
Similar to the 185 and 200 Percent programs, the county will continue
to first determine whether a child who has attained age one but not
age six is otherwise eligible for Medi-Cal and has a share of cost
under the regular MI/MN program. If the child has no share of cost,
approve aid under the regular MI/MN program. If the net nonexempt
family income exceeds the maintenance need level, proceed to step 2.
2. 133 Percent Program
If the child is otherwise eligible and has a share of cost, determine
if eligibility can be established under the 133 Percent program. If
the net nonexempt family income does not exceed the 133 percent FPL,
approve aid under this program. Net nonexempt family income is
determined under the same criteria as the 185 and 200 Percent
programs, (i.e., do not deduct health insurance premiums, apply only
AFDC-MN deductions, do not reduce net nonexempt income by deducting
medical expenses used to meet the share of cost, etc.). If the net
nonexempt family income is over 133 percent of FPL, deny the case
under the 133 Percent program.

Example:

1. Regular MI/MN SOC Program

MFBU - MN

		<u>INCOME</u>
Pregnant mom	Robyn	\$1200 net unearned income
unborn		- 40 health insurance premium
3 mo. old	Matthew	<u>\$1160</u> net nonexempt income
2 yr. old	Ryan	-1100 maintenance need level for 4
		<u>\$ 60</u> share-of-cost

2. 133 Percent Program

The MFBU of the 133 Percent Program consists of Ryan.

Since health insurance premiums, medical expenses used to meet a share of cost, and deductions solely for the aged, blind, and disabled cannot be used to reduce the family's net nonexempt income for this program as well as for the 185 and 200 Percent program, the EW will recompute the family's net nonexempt income.

\$1160 net nonexempt income
+ 40 health insurance premium

\$1200 adjusted net nonexempt income

Compare to 133 percent of the federal poverty level for 4 persons:
\$1408 (effective April 1, 1990).

Ryan is eligible for 133 Percent program.

Robyn, unborn, and Matthew are eligible for 185 Percent Program (compare 185 percent of the federal poverty level for 4 persons: \$1958 effective April 1, 1990).

CASE COUNTS

As in the 185 and 200 Percent programs, cases which include children covered under the 133 Percent program will be counted only once whether or not they

are a new or existing case. Intake activity may be claimed either for an approved application or, where eligibility is not established under this program due to excess family income, for a denied application.

Regardless of the number of eligibles in a case receiving benefits under the 133 Percent program, they are all counted as one 133 Percent case.

Thus, if some of the Medi-Cal Family Budget Unit (MFBU) members are in a 133 percent case, some are eligible for the 185 or 200 Percent Program, and some are just in the regular MFBU, the county would receive three case counts.

FAMILY BUDGET UNITS

The eligible child of age one up to the age of six will be issued a card only under the 133 Percent program at no share of cost rather than from the regular MI/MN program (with a share of cost) since there is no difference in the scope of the benefits under either program. The child will be included in the maintenance need level under the regular MI/MN program and will be treated as an ineligible child (IC) of that Medi-Cal Family Budget Unit (MFBU).

Example

133% Program

2 yr. old

185% Program

Pregnant Mom
unborn
5 mo. old

Regular MI/MN Program (Share of Cost)

Unemployed Father
Pregnant Mom
unborn
5 mo. old (IC)
2 yr old (IC)

STUFFER OR MAILER

DHS will be sending a stuffer or mailer probably in June 1990, to all Medi-Cal beneficiaries who are age one up to age six with a share of cost. We have enclosed a draft of the stuffer or mailer for your review (Enclosure 1).

FORMS

The MC 176M will be revised for the 133 Percent program (see Enclosure 2 and 3) and will be available for county use at a later date. A camera ready copy will be provided as soon as possible.

All County Welfare Directors
All County Administrative Officers
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NOTICES OF ACTION

Camera ready copies of Notices of Actions (NOA) for the 133 Percent program will be provided as soon as they are available. Counties may use NOAs similar to Enclosures 4 and 5.

Due to the many systems changes, (for example, MEDS may not be able to accommodate coverage of children under the converted aid codes (72 and 74) until June, 1990), counties will not be able to implement this program until June 1990. Counties should begin flagging cases with a 133 percent eligible child beginning April 1, 1990 so that retroactive cards can be issued in June. We will issue further instructions as soon as possible.

If you have any questions about this new program, please contact Marge Buzdas (916) 324-4972. Questions about system changes for the 133 Percent program or the aid code conversion should be directed to Tina Velasquez at (916) 323-9510.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: April 10, 1991

ENCLOSURE

(This stuffer will be sent to children age 1 up to 6 with a share of cost)

NEW MEDI-CAL PROGRAM FOR CHILDREN AGE ONE UP TO SIX YEARS OLD
(133 PERCENT PROGRAM)

Beginning April 1, 1990, a new Medi-Cal program will provide medical care at no share-of-cost (deductible) to children who are age one up to age six.

This new program for children from ages one up to six will allow the family's monthly income to be higher for those children than for people who are on most other Medi-Cal programs. Even if the family is working or has other monthly income, the child may still be eligible under this new program.

Early and regular medical care will help ensure a healthy start for your child and are important to prevent future health problems.

If your child already gets Medi-Cal at no share-of-cost, you do not need this program since your child already receives those same Medi-Cal benefits at no share of cost. If your child already gets Medi-Cal but has a share of cost, the county welfare office will determine whether he/she is eligible for this new program.

For more information about this new program, contact your county welfare office.

<input type="checkbox"/> New Application <input type="checkbox"/> Redetermination <input type="checkbox"/> Change <input type="checkbox"/> Retroactive Elig. <input type="checkbox"/> Correction										County District	County Use
State Number: _____										Effective Eligibility Date for this Budget Mo. _____ Yr. _____	
Co.	Aid	7 Digit Serial No.	MFBU No.	Pers. No.	Name - First, Middle, Last	Birthdate Mo. Day Yr.		Sex	(1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No.	Oth. Cover.	
I. Income of MFBU members applying as aged, blind, or disabled plus income of spouse or parent (except PA or other PA)					II. Income of MFBU members not listed in I. (except PA or other PA)					III. Share of cost computation	
A. NONEXEMPT UNEARNED INCOME					A. NONEXEMPT UNEARNED INCOME						
1. OASDI 2. Net Income from Property 3. Other - Itemize 4. 5. Total (add 1 thru 4) 6. Combined unearned income (add 5a and 5b) 7. Any income deduction: -\$20 8. Countable unearned income (6 minus 7)					1. OASDI 2. Net Income from Property 3. Other - Itemize 4. 5. Total unearned income (add 1 thru 4) 6. Total Net Earned Income (MC 176W, Part IV, Line 11.) 7. Subtotal (add 5 and 6) 8. Child Support/Alimony Paid 9. Total Countable Income (7 minus 8)					1. Countable Income from I 14 2. Countable Income from II 9 3. Income allocated from LTC/B&C person to family members at home (176W, Part III) 4. Combined Countable Income (add 1, 2, and 3)	
B. NONEXEMPT EARNED INCOME					B. NONEXEMPT EARNED INCOME					ALLOCATIONS AND DEDUCTIONS	
9. Gross Earned Income 10. Combined earned income (add 9a and 9b) 11. \$65 earned inc. deduction plus \$ unused \$20 12. Remainder (10 minus 11) 13. Countable earned income (divide 12 by 2) 14. Total countable income (add 8 and 13)					10. Total net earned income (MC 176W, Part IV, Line 11.) 11. Total Countable Income (7 minus 8) 12. Child Support/Alimony Paid 13. Total Countable Income (7 minus 8)					5. Allocation to excluded children (176W, Part I) 6. Income to determine PA Eligibility 7. Health Insurance 8. 9. 10. Total allocations/deductions (add 5 through 9) 11. Total net nonexempt income (4 minus 10) 12. Total net nonexempt income rounded 13. Maintenance need	
C. TOTAL COUNTABLE INCOME					C. TOTAL COUNTABLE INCOME						
1. Net non-exempt income 2. Health insurance prem + 3. Adjusted net non-exempt 4. 133% FPL for MFBU of = 5. Eligible for 133% YES NO (line 3 is = to or less than line 4)					133% COMPUTATION 1. Net non-exempt income 2. Health insurance prem + 3. Adjusted net non-exempt 4. 133% FPL for MFBU of = 5. Eligible for 133% YES NO (line 3 is = to or less than line 4)					14. Share of cost (12 minus 13c) 15. Underpayment adjustment 16. Adjusted Share of Cost (14 minus 15)	
NOTE: If there is income from which Educational Expenses are deducted (Section 50547), show calculations here. Enter net amount on line 3 or 4. Total income for educational purpose Less total educational expenses Net countable income:											
NOTE: If any of the following deductions apply, complete MC 176W, Part VI before completing Column I: Educational Expenses Section 50547 Absent Parent Support Section 50541 Student Deduction Section 50551 \$30 plus 1/3 Section 50551.1 Work Expenses for the Blind Section 50551.4 Income for Self-Support Section 50551.5											
IV. Exempt Income Is there a child of age 1 to 6 in MFBU? YES NO Does MFBU have SOC? YES NO If both are "yes", do 133% computation Eligibility Worker Signature					Do not allow ABD deductions on earned income).						

County District: _____ County Use: _____

☒ New Application ☐ Redetermination ☐ Change ☐ Retroactive Elig. ☐ Correction

Effective Eligibility Date for this Budget
Mo. **4** Yr. **90**

State Number				Name - First, Middle, Last	Birthdate Mo. Day Yr.	Sex	(1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No.	Other Coverage
Co.	Aid	7 Digit Serial No.	MFBU No.					
				Robyn Jones	12-7-60	F	(1) (2)	
				unborn (EDC)	8-9-90		(1) (2)	
				Matthew Jones	12-2-89		(1) (2)	
				Ryan Jones	1-8-88		(1) (2)	
							(1) (2)	
							(1) (2)	
							(1) (2)	
							(1) (2)	

I. Income of MFBU members applying as aged, blind, or disabled plus income of spouse or parent (except PA or other PA)

II. Income of MFBU members not listed in I. (except PA or other PA)

III. Share of cost computation

A. NONEXEMPT UNEARNED INCOME

	a. ABD-MN	b. Spouse or Parent
1. OASDI		
2. Net Income from Property		
3. Other-Itemize		
4.		
5. Total (add 1 thru 4)		
6. Combined unearned income (add 5a and 5b)		
7. Any Income deduction	- \$20	
8. Countable unearned income (6 minus 7)		

A. NONEXEMPT UNEARNED INCOME

1. OASDI	
2. Net Income from Property	
3. Other-Itemize	
4.	
5. Total unearned income (add 1 thru 4)	\$1200

1. Countable Income from I 14	\$1200
2. Countable Income from II 9	
3. Income allocated from LTC/B&C person to family members at home (176W, Part III)	
4. Combined Countable Income (add 1, 2, and 3)	\$1200

ALLOCATIONS AND DEDUCTIONS

5. Allocation to excluded children (176W, Part I)	
6. Income to determine PA Eligibility	
7. Health Insurance	- 40
8.	
9.	
10. Total allocations/deductions (add 5 through 9)	\$40
11. Total net nonexempt income (4 minus 10)	\$1160
12. Total net nonexempt income rounded	

B. NONEXEMPT EARNED INCOME

	a.	b.
9. Gross Earned Income		
10. Combined earned income (add 9a and 9b)		
11. \$65 earned Inc. deduction plus \$ unused \$20		
12. Remainder (10 minus 11)		
13. Countable earned income (divide 12 by 2)		
14. Total countable income (add 8 and 13)		

B. NONEXEMPT EARNED INCOME

6. Total Net Earned Income (MC 176W, Part IV, Line 11.)	
7. Subtotal (add 5 and 6)	\$1200
8. Child Support/Alimony Paid	
9. Total Countable Income (7 minus 8)	\$1200

C. TOTAL COUNTABLE INCOME

7. Subtotal (add 5 and 6)	\$1200
8. Child Support/Alimony Paid	
9. Total Countable Income (7 minus 8)	\$1200

NOTE:

If there is income from which Educational Expenses are deducted (Section 50547), show calculations here. Enter net amount on line 3 or 4.

Total income for educational purpose _____
Less total educational expenses _____
Net countable income _____

133% COMPUTATION

1. Net non-exempt income	\$1160
2. Health insurance prem +	40
3. Adjusted net non-exempt	\$1200
4. 133% FPL for MFBU of	4-1408
5. Eligible for 133% <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

(line 3 is = to or less than line 4)

13. Maintenance need	
a. MFBU members not in LTC No. 4	\$1100
b. MFBU members in LTC	
• Personal needs	
• Upkeep of home	
• Needs of disabled dependents	
c. Total maintenance need (13a + 13b)	\$1100
14. Share of cost (12 minus 13c)	\$60
15. Underpayment adjustment	
16. Adjusted Share of Cost (14 minus 15)	

NOTE:

If any of the following deductions apply, complete MC 176W, Part VI before completing Column I:

Educational Expenses	Section 50547
Absent Parent Support	Section 50541
Student Deduction	Section 50551
\$30 plus 1/3	Section 50551.1
Work Expenses for the Blind	Section 50551.4
Income for Self-Support	Section 50551.5

IV. Exempt Income

Is there a child of age 1 to 6 in MFBU?

☒ YES ☐ NO

Does MFBU have SOC?

☒ YES ☐ NO

(Do not allow ABD deductions on earned income).

If both are "yes", do 133% computation.

Eligibility Worker Signature

Worker Number

**MEDI-CAL
NOTICE OF ACTION**

(County Stamp)

**DENIAL OR DISCONTINUANCE OF BENEFITS
UNDER THE 133 PERCENT (%) PROGRAM**

Case No. _____
District: _____
This affects: _____

Name(s) _____

The 133% Program is a program for children from one to six years of age that provides Medi-Cal benefits at no share-of-cost. In addition to meeting other Medi-Cal eligibility rules, family income must be within certain limits to qualify for this program.

☐ A review of your case shows that your child(ren) does not qualify for this program because your family's income is over the allowable limit. This does not affect your child(ren)'s regular Medi-Cal eligibility.

☐ Eligibility for benefits under the 133% program ends _____ because your child(ren) is six years old.

☐ Eligibility for benefits under the 133% program ends _____ because:

IMPORTANT: If your child(ren) was hospitalized before his/her sixth birthday and continues to be in the hospital after the age of six, he/she may continue to be eligible for benefits at no share-of-cost. You must tell your worker about this right away.

The regulation which requires this action is California Code of Regulations, Title 22, Section _____.

(Eligibility Worker)

(Phone)

(Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE
MC 239 B-5 (4/90)

**MEDI-CAL
NOTICE OF ACTION**

(County Stamp)

APPROVAL FOR THE 133 PERCENT (%) PROGRAM

Case No. _____

District: _____

This affects: _____

Name(s)

Beginning _____, your child(ren) is eligible to receive Medi-Cal benefits without a share of cost under the 133% program for children from one to six years of age. Under this program, the child's Medi-Cal card will provide:

☐ Full Medi-Cal benefits.

☐ Restricted Medi-Cal benefits (services for treatment of emergency medical conditions only).

Eligibility under this program is based on your family's income, in addition to other program requirements. You must let your worker know about any changes within 10 days to see if your child(ren) is still eligible under this program.

The regulation which requires this action is California Code of Regulations, Title 22, Section _____.

(Eligibility Worker)

(Phone)

(Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE